

**Listing of Mailout Material
January 20, 2021**

-  **Forwarding Letter**
-  **Meeting Agenda**


I. Review and approve minutes of the meeting of January 6, 2021

-  **Minutes of January 6, 2021**

II. St. Olaf College Series 2021

-  **Preliminary Financing Plan – North Slope Capital Advisors**
-  **Resolution Relating to Financing Terms - Fryberger**
-  **Series Resolution - Fryberger**

III. Board Member Subcommittee on Inclusion and Diversity



-  **Board Member Term Information**

IV. Old Business

V. New Business

-  **Fund Balance Designation Memorandum**

VI. Other Business




-  **IRS Mileage Rate Effective January 1, 2021**
-  **December 2020 Budget vs Actual**

Closed Session of the MHEFA Board – items to be sent separately

I. Municipal Advisor RFP Results & Recommendation

-  **Municipal Advisor RFP Results & Recommendation Memo**

II. Operations Manager Performance Review

-  **Operations Manager Performance Review Form**
-  **MMB Memo Regarding FY2021 Performance-Based Increase Cap**
-  **Resolution Authorizing Performance-Based Salary Increase Under Managerial Plan 2019-2021**

MEMORANDUM



380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 13 January 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: January 20, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority January 20, 2021 video and teleconference Board meeting. The focus of the January 20, 2021 Board meeting will be Finance Plan and Series Resolution for St. Olaf College. These are the concluding steps to authorize issuing of bonds for the College.

We will also conduct a review of the Operations Manager job performance for the past year and present recommendation regarding Municipal Advisors.

We will continue the use of our new video link system for this meeting. It is a component of our upgraded communications system, which includes phones, conference calling, fax, and video, all integrated into a system that is accessible from anywhere.

We continue to work from home according to Executive Order issued by the Governor and endorsed by MMB, with occasional visits to the office.

We look forward to your participation by video conferencing or telephone for the meeting.

Wednesday, January 20, 2021

2:00 PM

Meeting to be held via electronic means due to pandemic emergency social distancing.

The public should utilize the call-in information provided below.

Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.

- I. Review and approve minutes of the meeting of January 6, 2021
- II. St. Olaf College
 - Preliminary Financing Plan – North Slope
 - Resolution Relating to Financing Terms – Fryberger
 - Series Resolution - Fryberger
- III. Board Member Subcommittee on Inclusion and Diversity
- IV. Old Business
 - 2021 Conference Update
 - Campaign Finance Disclosure Board Reminder
- V. New Business
 - Board Review, Consideration of, and Affirmation of Allocation & Restrictions on Investments
- VI. Other Business
 - Executive Director's Report

Meeting to be conducted via video conference – Board Members will receive a link to join the meeting

General Public may attend via call-in number: 1-877-978-6969 Access Code: 802-617-886#

Closed Session of the MHEFA Board

- I. Municipal Advisor RFP Results & Recommendation
- II. Operations Manager Performance Review

Meeting to be conducted via video conference – Board Members will receive a link to join the meeting

General Public may attend via call-in number: 1-877-978-6969 Access Code: 802-617-886#



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 10:00 am Central Time, Wednesday, January 6, 2021, in the Authority’s Conference Room, 380 Jackson Street, Suite 450, Saint Paul, Minnesota.

Following Emergency Executive Order 20-01, dated March 13, 2020, Declaration of Peacetime Emergency by Governor Walz; Emergency Executive Order 20-20, dated March 25, 2020; and Emergency Executive Order 20-33, dated April 8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the “Emergency Orders”), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance with Minnesota Statutes, Section 13D.021.

Authority Chair Ranum determined that an in-person meeting at the regular meeting location for the Authority, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101, was not practical or prudent because of the health pandemic declared under the Emergency Orders and according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

The chief administrative officer of the Authority, Executive Director Barry W. Fick, was physically present at the Authority’s offices, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101.

Members of the public who plan to be present at the public hearing at the Authority’s offices in person will be required to observe social distancing and comply with other measures imposed by the Emergency Orders.

The public were able to monitor the meeting by calling a toll-free number.

Board members participated in the meeting using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.021.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on November 18, 2020

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of November 18, 2020	Passed	Unanimous
Approval of VOOM Creative Proposal to assist with the 50 th Anniversary Collateral & Website/Video Streaming setup	Passed	Unanimous

Resolutions	Result:	Vote:
Approval of Amended and Restated Resolution Relating to Application for St. Olaf College	Passed	Unanimous
Approval of Resolution Relating to Amendment of MHEFA Enabling Law to Authorize Financing of Non-Profit Health Care Facilities	Passed	Unanimous

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending by video link or telephone:

Board Members: Gary Benson
Mary Ives
Mark Misukanis
Michael Ranum
Bonnie Anderson Rons
David Rowland
Nancy Sampair
Ray Vin Zant
Paul Cerkenik, Minnesota Private College Council, ex officio without vote

Absent: Poawit Yang

Other Attendees: Mark LeMay, Consultant
Janet Hanson, VP and CFO, St. Olaf College
Mark Gelle, AVP and Chief Investment Officer, St. Olaf College

Robert Toftey, Bond Counsel
Melanie Len, Director, Piper Sandler
Nick Taylor, Director, North Slope Capital Advisors

Also Present: Barry W. Fick (in-person) Executive Director MHEFA
Amanda Lee, Operations Manager, MHEFA

All participants attended the meeting by video link or telephone. Executive Director Fick participated by video link and was present at the Authority Office for the meeting.

Mike Ranum, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the November 18, 2020 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the November 18, 2020 Authority Board meeting. There were no questions or proposed changes to the minutes from the Board members.

A motion was made by David Rowland to approve the November 18, 2020 minutes. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any additional questions, discussion, or changes to the minutes of the November 18, 2020 Board meeting.

Chair Ranum called for a vote regarding the approval of the minutes. A voice vote was conducted, and the Board members unanimously voted to approve the November 18, 2020 Authority Board minutes as amended.

Agenda Item II – St. Olaf College Application for Financing

Chair Ranum opened the Public Hearing for St. Olaf College. Executive Director Fick noted that Notice for the St. Olaf Public Hearing was published in the State Register and the Northfield in a timely manner and that there were no comments received by the Authority prior to the Public Hearing. Mr. Fick also noted that there were no members of the public at the Authority Office.

This is the second Public Hearing for the St. Olaf Financing Application. This Public Hearing in response to the amended Financing Application submitted by the College. The supplemental Financing Application adds funding for a portion of planned improvements and renovations to residence facilities on the campus of the College. The additional projects are able to be funded without a change to the amount of requested financing assistance by the College. This occurs as the construction and furnishing cost bids received by the College have been more favorable than projected and the College has negotiated additional cost reductions with vendors. This reduced cost for the primary Project components (which were the subject of the November 18, 2020 Public Hearing) allows the College to fund additional projects without increasing the size of the borrowing from the original requested amount.

Chair Ranum called on Ms. Janet Hanson, Vice President and Chief Financial Officer at St. Olaf College to present the amended financing request of the College. Ms. Hanson presented information about the background of the project, reminding the Board that the project includes the construction of a residential tower for 300 students and the construction and furnishing of 10 townhome residences, housing approximately 140 students. The additional beds will allow the college to house more students on campus, decompress triple bed dorms to their originally intended double occupancy, and provide for more attractive residential options to engage students in their experience at St. Olaf.

The project cost remains at \$60 million. The College will fund the project costs, now expanded to include a portion of the costs of renovating residence halls located on the College campus, interest during the construction and issue costs with bond proceeds. The exact size and structure of the financing is under discussion and will be presented to the Authority Board at the January 20, 2021 meeting.

Chair Ranum asked if Board members had any questions for Ms. Hanson. Board members Anderson Rons, Ives, Benson and Sampair asked questions requesting clarification of some aspects of the project. Ms. Hanson responded to the questions noting the amended Application offers additional financial flexibility to the College and enhances the ability to complete the overall residence system capital improvements and the project will allow the College to realize its residential vision. There were no other Board member questions.

Mr. Ranum closed the public hearing and asked Mr. Nick Taylor, Director and Chief Compliance Officer of North Slope Capital Advisors to provide the Board with an analysis of the financial effect of the application by the college. Mr. Taylor reviewed the Application Analysis prepared by North

Slope. He referred Board members to the November Application analysis and noted that new project component has no material effect on the previous conclusions since the size of the borrowing by the College through the Authority does not change with the inclusion of the additional projects.

Mr. Taylor noted that the professional opinion of North Slope Capital Advisors expressed at the November 18, 2020 Board meeting, which is that the project appears fiscally feasible and a bond with adequate security can be structured, has not changed as a result of the amended Application for financing by the College.

Mr. Taylor concluded his presentation and asked if Board members had questions. Board member Sampair asked about market conditions for acceptance of tax-exempt bonds. Mr. Taylor provided an outline of how there remains strong demand for tax-exempt debt and that interest rates remain very favorable for borrowers. There were no other questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the St. Olaf financing, to review Bond Counsel's Supplement to the Application Memorandum. Mr. Toftey directed the Board's attention to the Supplement to the Memorandum for the Application of St. Olaf College for MHEFA Financing, dated December 28, 2020 and the original Application of St. Olaf College for MHEFA Financing Memorandum, dated November 9, 2020. Mr. Toftey noted that the amended and supplemented Application resulted in no adjustment to the findings of the original memo which was presented to the Board at the November 18, 2020 meeting. The memo represents Bond Counsel's findings from their review of the St. Olaf Application for financing. It also notes items that are missing and need to be provided prior to issuing the bonds. It reviews representations made by St. Olaf in their Application and discusses IRS limitations on tax-exempt financed projects, noting how those limitations might affect the St. Olaf Project.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. There were no questions from Board members. Mr. Ranum then asked Mr. Toftey to review the Amended and Restated Resolution Relating to the Application for St. Olaf College.

Mr. Toftey directed the Board's attention to the Resolution included in the Board information packet. The Resolution includes 9 findings, each of which Mr. Toftey briefly discussed with the Board. The Resolution terms recite the description of the project and the application from St. Olaf. Mr. Toftey noted that the recitations and statements included in the Amended and Restated Resolution are the same as considered by the Board at the November 18, 2020 meeting.

The Resolution concludes with the statement that by approving the Resolution the Board authorizes the Executive Director and finance professionals to obtain additional information and directs the participants to prepare a financing plan and bond documents and bring those to the Board for consideration and approval. This concluded Bond Counsel's discussion of the Resolution. Mr. Ranum asked if there were questions related to the Resolution from Board members. There were none.

A motion was made by Ray Vin Zant to approve and accept the Amended and Restated Resolution Relating to the Application of St. Olaf. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Amended and Restated Resolution Relating to the Application of St. Olaf College.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Amended and Restated Resolution Relating to the Application of St. Olaf College. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Amended and Restated Resolution Relating to the Application of St. Olaf College was approved.

Chair Ranum allowed St. Olaf College and other St. Olaf Financing team members participating in the Public Hearing and the Application Review process to leave the meeting if they would like.

Agenda Item III – Resolution Relating to Expanded Issuance Authority

Chair Ranum asked Executive Director Fick to discuss and outline the Resolution included in the packet that relates to the Board affirming support of expanding Authority issuance authority. The

Resolution was drafted in November 2020 and was originally scheduled to be considered at the Authority's December 2020 meeting. That meeting was rescheduled for January 6, 2021 to accommodate a revised St. Olaf financing Application. The Authority has previously expressed support for expanded issue authority when legislation to that purpose was introduced in the 2020 legislative session. That session was disrupted by COVID-19 pandemic and consideration of the Authority expansion legislation was deferred.

The Resolution outlines the Authority's mission, current economic and demographic environments for higher education, requests from healthcare organizations for tax-exempt financing assistance, and outlines Authority funding mechanisms. The Resolution outlines the financial and social benefits of expanding issuance assistance to healthcare and senior living organizations.

The Resolution is to affirm the Board's support of the introduction of issuance authority expansion legislation to the 2021 Legislature. The Resolution approves submission of the expansion legislation to the 2021 Legislature and reaffirms the Authority's commitment to its programs of serving nonprofit private colleges and universities in Minnesota.

Board members asked a number of clarifying questions regarding the resolution. Board members asked about staff plans to work with other organizations and individuals in support of the expansion. Board members' questions were answered by staff. In response to Board members' questions and offers of assistance, staff noted that we are working closely with our legislative process advisors to secure bill sponsors and work with the multiple committees who will review the bill and refer it forward for passage. Board members are encouraged to contact the Executive Director with names of persons who may assist in our legislative efforts.

Mr. Ranum asked if there were questions related to the Resolution from Board members. There were none.

A motion was made by Bonnie Anderson Rons to approve and accept the Resolution Relating to Amendment of MHEFA Enabling Law to Authorize Financing of Nonprofit Healthcare Facilities. The motion was seconded by Mary Ives. Chair Ranum asked if there were any questions, discussion, or changes regarding the Resolution. There were no other questions or changes related to the Resolution Relating to Amendment of MHEFA Enabling Law to Authorize Financing of Nonprofit Healthcare Facilities.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to Amendment of MHEFA Enabling Law to Authorize Financing of Nonprofit Healthcare Facilities. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the Resolution Relating to Amendment of MHEFA Enabling Law to Authorize Financing of Nonprofit Healthcare Facilities.

Agenda Item IV – VOOM Creative 50th Anniversary Proposal

Mr. Ranum asked Executive Director Fick to discuss and present to the Board the VOOM Creative 50th Anniversary proposal. The Authority staff has asked VOOM Creative to present a plan to assist the Authority develop a logo, theme, and related material to commemorate the Authority's 50th Anniversary in 2020. VOOM's assistance also includes additional updates to the Authority website and development of an embedded video streaming account to the website. This would allow expanded communication to borrowers through the website and would be useful to assist in celebration of the history of the Authority. The theme to be developed and the website enhancements would benefit the Authority into the future and not only in celebration and commemoration of the 50th anniversary of the Authority. VOOM also provided a work scope to update the Authority business cards.

Board members asked a number of questions about the Proposal. Board members asked about the long-term benefits of the various components included in the Proposal. There were questions about the utility of business cards in an electronic age. Authority staff noted that the annual Authority budget includes a provision for ongoing website upgrades and service enhancements. Staff is confident that the work that VOOM would undertake will be useful for the 50th Anniversary year

and be used in future years as investors and borrowers become more familiar with the depth and detail of material provided on the Authority website.

At the conclusion of the discussion, the staff outlined a motion for the Board's consideration to approve the VOOM Creative proposal. A motion was made by Gary Benson to approve and accept the VOOM Creative 50th Anniversary Proposal. The motion was seconded by David Rowland. Chair Ranum asked if there were any questions, discussion, or changes for staff regarding the Motion. There were no other questions for staff related to the VOOM Creative 50th Anniversary Proposal.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the VOOM Creative 50th Anniversary Proposal. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Ray Vin Zant	Yes
	Nancy Sampair	Yes

There were no votes against the motion and the VOOM Creative 50th Anniversary proposal was approved.

Agenda Item V – Old Business

Chair Ranum asked Executive Director to update the Board on plans for the 2021 Annual Conference Format and Timing – The 2020 Authority Finance Conference was cancelled due to COVID-19 concerns. In 2021, the Authority will observe 50 years of service to private higher education institutions in Minnesota.

Due to uncertainty about COVID restrictions, it is not practicable to plan for an in-person conference based on the historic April scheduling of the Finance Conference. In addition, the

meeting space in Cray Plaza is permanently closed as the building owners commence the conversion of the Cray Plaza to a residential building.

In view of these factors, staff believes the best option is to hold a virtual conference on the 3rd Wednesday of April, consistent with the timing of previous conferences. The primary speakers for the conference have been lined up. The conference will again be a ½ day event, planned to begin in mid-morning and conclude by early afternoon. A virtual conference will allow cost-efficient presentation of speakers to participants and it will allow us to expand the participant list as we will not be subject to space limitations. The expanded invitation list may include industry participants, including municipal analysts, Authority members or staff from other states interested in how Minnesota operates and more finance professionals. A virtual conference also reduces the cost of attendance for participants by removing travel time and cost as a limiting factor. A virtual conference is consistent with what other finance groups are doing for their conferences in the first half of 2021. Examples include the Wisconsin HEFA, the GFOA, NACUBO and Minnesota Continuing Legal Education.

Board members had a number of questions about a virtual conference and the timing of the Finance Conference. Board members discussed the challenges and opportunities of having a virtual conference instead of an in-person conference. It was noted by a number of Board members that one of the advantages of an in-person conference is the ability to meet new industry participants, deepen professional connections and have more varied and numerous discussions with individuals attending the conference. There was some concern about having the conference extend through the lunch hour, with thoughts expressed that such timing may reduce interest and participation.

Board members suggested possibly changing the date of the conference to later in summer of 2021 to allow for an in-person conference. Authority staff noted that with the uncertainty surrounding management of the COVID Pandemic, there is no assurance that a late summer or fall in-person conference would be feasible.

After considerable discussion, a two-conference idea was reached by consensus. Staff will research and develop a plan for consideration by the Board of a two-conference plan for 2021. The first portion would be to focus on industry topics and presentations at the finance conference in April. This would be a virtual conference. The Authority would also plan to hold an in-person conference in late summer or fall of 2021 which would focus on the history of the Authority's financing work with private higher education institutions in Minnesota and commemoration of the 50 years of service

provided by the Authority. In addition, if expanded issuance ability is achieved by legislative action, the fall conference could introduce Authority plans to use the expanded issuance authority.

Agenda Item VI – New Business

Chair Ranum asked Mr. Fick if there was any New Business to be addressed by the Board. Mr. Fick responded that there was no New Business items for Board member consideration.

Chair Ranum asked if there were any New Business items from Board members for discussion. There were no New Business items from Board members for discussion.

Agenda Item VII – Other Business

Chair Ranum called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

Mr. Fick noted that there are two Board positions open for 2021. David Rowland has expressed interest in applying to retain his Board position. His position is to be filled by a person with municipal finance experience and knowledge. David Rowland has amply and successfully served in his role during his time on the Board. Authority staff fully supports his application to continue serving on the Board as the municipal finance resource for the Authority. Mark Misukanis' position as a higher education employee representative on the Board is also opening in 2021. Mark has indicated he would like to step away from the Board.

By way of introduction to this topic, Authority staff would like to see additional diversity efforts be undertaken to expand the perspectives represented on the Board. The demographic and ethnic and backgrounds of students attending our borrowers is changing and Authority staff believes it would be beneficial to have Board membership be more representative of the communities and institutions we serve.

We have begun to work with the State of Minnesota to identify groups which can assist us to find qualified candidates who might not have applied for Board membership in the past. We encourage

Board members to reach out to their contacts and let us know if they are aware of qualified candidates from groups who have not been represented on the Board in the past.

Staff views this as a long-term effort and would like to work with the Board to establish a Board sub-group that would provide on-going assistance to reach out to qualified individuals from underrepresented groups. Staff proposes to continue this discussion with the Board at subsequent Board meetings.

Board members commented favorably on the goal of the Authority to appoint future Board members who can expand the viewpoints and constituencies represented on the Authority Board. The members agreed to continue this discussion at future Board meetings.

We continue to function in accord with State of Minnesota “if you can work from home you must work from home” mandate. We make separate occasional visits to the office, including for Authority Board Meetings. We are again using our new communication platform for this meeting. We would appreciate your feedback on how the new video access works for you and we encourage you to share your thoughts and observations about the meeting format with us so we can improve future meetings.

The Moody’s credit review and update for Macalester resulted in a confirmation of their Aa3 credit rating but changed their future outlook to “negative” from “stable”.

I submitted my application for reappointment to the Municipal Securities Rulemaking Board (MSRB) Compliance Advisory Group. Appointments to MSRB Committees are for a 1-year term. Since the work of the CAG Group was interrupted by COVID during 2020, I would like to continue the work the Group began and bring some of the initiatives to a successful conclusion in 2021.

We will be conducting interviews of Municipal Advisor roster candidates during the week of January 11, 2021. If any Board members would like to participate in or listen to the interviews, we are happy to include you on the invitation link to the interviews. If you would like to participate, we will provide you with a schedule as well. You may not be able to listen to or participate in all the interviews, but you are welcome to sit in on any of the interviews as your schedule permits.

As a reminder, each Board member is required to update their Campaign Finance and Public Disclosure Board Annual Certification by January 25, 2021. Contact Amanda for assistance on obtaining the link to update your information.

Preliminary indications from discussions with Minnesota Private Colleges and Universities are that we will have a couple of additional financings applications in the next few months.

On January 5, Amanda and I had a video meeting with Jeffrey Flake, the Bigos staff person who is the contact for Cray Plaza updates. The purpose of our call was to discuss Bigos' plans for converting the building to residential use in terms of timing, lease options and related matters. We noted that our lease is effective through November 30, 2022 and that we have an option to extend our lease by 36 months at a lease rate to be determined. Jeff wasn't aware of the extension option. We provided him a copy of the most recent lease for his records.

He indicated that there are only about 5 commercial tenants remaining in the building. He also noted that Bigos at this time fully intends to honor all current leases. He noted that if we exercise the lease extension option, Bigos would honor the extension. He didn't seem at all inclined to have an interest in buying out our lease. He noted that the Homeland Security lease for their 4th floor offices across the atrium from MHEFA runs through sometime in 2027 (it appears to be a 10-year lease).

Based on our discussion, it appears that we currently have time remaining on our lease and are in no danger of being required to move to another location. We are entitled to "quiet enjoyment" of the leased space. If in the future we are denied reasonable access to the office, or building security is compromised, or construction interferes substantially with our use of the space, we have options to require the owners to restore our quiet enjoyment or offer us a settlement to leave the space. We will continue to monitor the building situation and keep you updated on the status of the space.

Re-Investment of Certificates of Deposit - Update

As we have discussed with you previously, interest rates for investments have declined significantly over the past year. We have had some Certificates of Deposit mature the past few weeks and the reinvestment rates are significantly below the rates we were receiving on the Certificates invested previously. We actively explore reinvestment options but are receiving market rates that will materially reduce our investment income for the next two years.

Borrower Staffing Update

We have a number of staffing updates to report this month.

Minneapolis College of Art and Design

The interim CFO has resigned due to health reasons. The Board is working with a search firm to conduct a national search for a permanent CFO. The search has been slowed by COVID. Mary Yang Thao, Associate VP of Finance has been appointed by the President and the Board as the interim CFO.

St. Catherine University

Angela Riley, CFO has resigned as of January 8, 2021 to take the CFO position with CommonBond Communities, an organization headquartered in Minneapolis that for nearly 50 years has responded to racial and economic injustices through its mission to build stable homes, strong futures, and vibrant communities.

Tracey Gran, the long-time VP of Finance and Controller at the University, has been appointed as CFO, effective January 11, 2021.

Mitchell | Hamline School of Law

Arthur Berman, VP Finance and Admin, has retired. Stephen Kent has been named as the new VP Finance and Administration. He most recently served for the past four years as the VP for Finance and Facilities of North Hennepin Community College.

Mr. Kent has an impressive background, serving in the US Army for 25 years, retiring with the rank of Colonel. He served ten years in military intelligence and 15 years in finance. He has served as the chief financial officer for commands in Kuwait, Korea, and three tours at the Pentagon. He has managed budgets as large as \$26.3B, and while in the Republic of Korea, managed \$103M in government labor costs for 3,400+ employees. Kent has been awarded many military awards and medals, including six meritorious service medals, German-proficiency badge (gold), airborne and air-assault badges.

Macalester College

David Wheaton, who has served as VP of Admin and Finance at Macalester since 2002, will retire at the end of the current academic year (June 2021). Prior to Macalester, David was CFO at Mitchell | Hamline School of Law. The College has not announced succession plans for the position but is likely to conduct a national search for a person to fill the position.

That concluded Mr. Fick's Executive Director's report for January 6, 2021.

At the conclusion of the Executive Directors report, Chair Ranum entertained a motion to adjourn the general meeting. A motion to adjourn as made by Nancy Sampair and seconded by Ray Vin Zant.

The Board then voted by voice vote to adjourn at 11:55 am, Central Standard Time.

Respectfully submitted,

Assistant Secretary



North Slope Capital Advisors
1165 Delaware Street, Suite 140
Denver, CO 80204
303-953-4101

January 20, 2021

Minnesota Higher Education Facilities Authority
c/o Mr. Michael D. Ranum, Board Chair
and Mr. Barry W. Fick, Executive Director
380 Jackson Street, Suite 450
Saint Paul, MN 55101

Dear Mr. Ranum, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide this *Preliminary Financing Plan Summary* for St. Olaf College's (the "College") proposed Series 2021 bond issuance. Below are the highlights of the preliminary financing plan followed by a detailed summary:

<i>Preliminary Financing Plan Highlights*</i>	
Par Amount (Estimated as of 1-8-2021)	\$57,045,000
Financing Type	New Money, Fixed Rate, "Wrapped" Structure
Project Description	Residence Hall, Townhouses and Renovations
Capitalized Interest	Funded thru April 1, 2022
First Principal Payment Date	October 1, 2036
Final Maturity Date	October 1, 2050
Expected Underlying Rating (to be released on 1-18-2021)	A1
Underwriter	Piper Sandler
Expected Pricing Date	February 3, 2021
Expected Closing/Delivery Date	March 18, 2021

Based on our review of the preliminary financing plan, North Slope Capital Advisors is supportive of the proposed structure and is looking forward to a successful pricing and closing of the Series 2021 bond issue in the coming weeks.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steph M. Chichester".

NORTH SLOPE CAPITAL ADVISORS by
Steph M. Chichester, President

A handwritten signature in black ink, appearing to read "Nick E. Taylor".

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

*Preliminary, subject to change based on final pricing.

PRELIMINARY FINANCING PLAN SUMMARY
MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY
\$57,045,000*
REVENUE BONDS, SERIES 2021
(St. Olaf College)

January 20, 2021

This Preliminary Financing Plan Summary (the "Summary") represents North Slope Capital Advisors' ("North Slope") review of the financing structure and is based on the most recent discussions with St. Olaf College (the "College"), the Minnesota Higher Education Facilities Authority (the "Authority"), and Piper Sandler & Co. ("Piper"), the sole managing underwriter on the Series 2021 bond issuance (the "Bonds"). As of the date of this Summary, the College has decided to issue long-term fixed rate bonds to fund the Project and structure the Bonds with a 30-year final maturity of October 1, 2050, capitalize interest thru April 1, 2022, and wrap the Bonds debt service around the College's outstanding bonds. The structure provided below is preliminary and subject to revision prior to the pricing of the Bonds which is expected on or around February 3, 2021.

Issuer:	Minnesota Higher Education Facilities Authority (the "Authority")
Borrower:	St. Olaf College (the "College")
Purpose of the Bonds:	<p>The College will use the proceeds of the Bonds to:</p> <ol style="list-style-type: none">(1) construct, equip, and furnish new student residence facilities and related improvements on the College's campus, comprised of a residence hall of approximately 300 beds and 14 townhouses totaling approximately 140 beds;(2) renovate a residence hall on the College campus, which, inclusive with item (1) above, is the "Project" at an estimated cost of \$60 million;(3) capitalize interest on the Bonds through April 1, 2022 (~\$2.17 million); and(4) pay costs of issuance, including the underwriter's discount (~\$360,000).
Issue Size:	The estimated par amount of the Bonds of \$57.045 million, including estimated new issue premium of \$5.5 million, will be used to fund the Project, fund capitalized interest and pay the costs of issuance. The estimated par of Bonds is less than the Authority's not-to-exceed size of \$71 million as of the writing of this Summary.
Costs of Issuance:	Costs of issuance of up to 2% of the par value of the Bonds may be funded with tax-exempt proceeds. At this time, actual costs of issuance are not expected to exceed 2% of the par amount of the Bonds.
Type of Sale and Purchaser:	The Bonds will be sold via a negotiated, public underwriting and the College has selected Piper Sandler & Co. as the sole managing underwriter. The Bonds will be issued as federal and State of Minnesota tax-exempt fixed rate bonds.

* Preliminary; subject to change.

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021, (St. Olaf College)

Preliminary Financing Plan Summary

Dated: January 20, 2021

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Expected Pricing

Date: February 3, 2021

Expected Closing

Date: March 18, 2021

TIC (True Interest
Cost):

The College has opted for a fixed rate mode for the Bonds. The estimated TIC, assuming rates and market conditions as of January 8, 2021, is 3.15%.

Bonds

Denominations: Denominations for Bonds will be \$5,000 and integral multiples thereof.

Interest Payments: Semi-annually, beginning October 1, 2021.

Principal Payments: Annually beginning on October 1, 2036 with a final maturity of October 1, 2050.

Bonds Structure: The Bonds will be structured as a wrap around the College's outstanding Series Eight-G and Series Eight-N Bonds to create an overall aggregate, level annual debt service payment amount on the College's entire debt portfolio.

Redemption: Optional: The College will have the option to redeem the Bonds maturing on or after October 1, 2031 at par and without penalty beginning on or after April 1, 2031.

Extraordinary Upon Determination of Taxability: Optional redemption may occur upon a Determination of Taxability of the either of the Notes, in whole, at a price of par plus accrued interest.

Extraordinary Upon Damage, Destruction, or Condemnation: Optional redemption may occur should the financed project facilities suffer damage, destruction, or condemnation, in whole, at a price of par plus accrued interest.

Rating: The Bonds are expected to be rated by Moody's Investors Service ("Moody's"). Moody's assigned a credit rating of A1 with a stable outlook to the College's outstanding debt in October 2020. Moody's conducted a rating update call with the College and other financing team members on December 17, 2020 and is planning on publishing the rating in connection with the Bonds on January 18, 2020.

Bank Qualification: The Bonds will not be designated as a "qualified tax-exempt obligation."

Security: The College's full faith and credit are pledged to the repayment of the Bonds, with a covenant to set tuition, fees, rentals and charges to be sufficient to make the required Loan Repayments (e.g. debt service payments) and pay operating expenses and other obligations of the College as they become due.

Debt Service
Reserve Account: A debt service reserve fund will not be funded with proceeds from the Bonds.

Financial
Covenants: The College will be responsible for complying with the following financial covenants as long as the Bonds remain outstanding:

* *Preliminary; subject to change.*

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021, (St. Olaf College)

Preliminary Financing Plan Summary

Dated: January 20, 2021

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1. The College shall charge and collect tuition and fees in each Fiscal Year sufficient to produce Net Income Available for Debt Service in an amount sufficient to result in a Debt Service Coverage Ratio equal to or greater than 110% for such Fiscal Year, provided that to the extent that the Debt Service Coverage Ratio for any Fiscal Year is less than 110% the College shall be deemed to be in compliance with this paragraph so long as (i) the College is in compliance with the provisions of paragraph (b) immediately below and is using commercially reasonable efforts to implement, subject to the limitations set forth in this Loan Agreement, the recommendations of the Independent Management Consultant presented in the report described therein, and (ii) the Debt Service Coverage Ratio is not less than 100% for two consecutive Fiscal Years.
2. In the event the Debt Service Coverage Ratio for any Fiscal Year is less than 110%, the College shall not later than 60 days following such Fiscal Year end provide notice thereof to the Trustee and engage an Independent Management Consultant to review and analyze the operations and administration of the College, and submit to the College and the Trustee not later than 90 days following the date of engagement, a written report stating such recommendations as to the operations and administration of the College as such Independent Management Consultant deems appropriate, including any recommendation as to a revision of the methods of operations and administration of the College in order to increase the Debt Service Coverage Ratio to at least 110%. The College agrees to consider any recommendations by the Independent Management Consultant and, to the fullest extent practicable and allowed by law and consistent with its covenants hereunder, to adopt and carry out such recommendations.

Further, the College shall comply with the financial covenants set forth in each of (i) the Loan Agreement dated July 1, 2015, between the College and the Authority in connection with the Authority's Revenue Bonds, Series Eight-G (St. Olaf College); and (ii) the Loan Agreement dated September 1, 2016, between the College and the Authority in connection with the Authority's Revenue Bonds, Series Eight-N (St. Olaf College) so long either of such Loan Agreements is in effect.

Continuing Disclosure: The College will execute a "Continuing Disclosure Certificate" for the benefit of beneficial owners of the Bonds and will continue to comply with its existing Continuing Disclosure undertakings with regard to its other outstanding bonds.

Credit Enhancement: None

Trustee/Registrar and Paying Agent: Wells Fargo Bank, N.A., Minneapolis, Minnesota.

Permitted Investments: Investments as permitted by Minnesota statutes.

* Preliminary; subject to change.

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021, (St. Olaf College)

Preliminary Financing Plan Summary

Dated: January 20, 2021

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Potential Impacts

Resulting from

Coronavirus

(COVID-19):

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets.

In connection with the outbreak of the COVID-19, the College on or about March 20, 2020 transitioned to remote instruction for the remainder of the Spring 2020 semester and the Summer 2020 program. Nearly all campus events for the remainder of the 2019-20 academic year were canceled or postponed. The College refunded room and board on a pro-rata basis for those students who vacated campus in Spring 2020. A majority of these refunds were applied towards Fall 2020 fees. The College provided housing and dining services for approximately 200 students who remained on campus throughout spring and summer.

The College began the 2020-21 academic year in mid-August with a combination of in-person and remote instruction. Faculty, staff, and students were required to participate in two rounds of COVID testing at the start of the semester and ongoing random surveillance testing throughout the semester. The College ended the Fall 2020 semester at Thanksgiving without having to suspend in-person classes. January 2021 Interim classes will be held remotely. College housing and dining facilities remain open for those students who are unable to vacate campus after Fall semester. Spring semester is planned to begin on February 15, 2021 with the combination of in-person and remote instruction. The College will follow similar testing protocols established in the fall. The College continues to monitor the situation and will adjust its response in concert with the recommendations or directives of federal, state and local health officials and governmental authorities.

The continued spread of COVID-19 or any other similar outbreaks in the future and the continued impact on social interaction, travel, economies and financial markets may materially impact College finances and operations. The full impact of COVID-19 and the scope of any adverse impact on College finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, without limitation, decline in enrollment, decline in demand for College housing, decline in revenues and decline in demand for College programs that involve travel or that have international connections.

Schedules:

Exhibit A: Estimated net debt service on the Bonds.

Exhibit B: The College's existing debt service and estimated net debt service for the Bonds.

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021, (St. Olaf College)
Preliminary Financing Plan
Dated: January 20, 2021
Exhibit A

EXHIBIT A

NET DEBT SERVICE

Minnesota Higher Education Facilities Authority
Revenue Bonds, Series 2021
(St. Olaf College)
Scenario: \$60mm + Wrapped Debt Service (30 Year Amortization)

Period Ending	Principal	Coupon	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
05/31/2022			2,165,420.42	2,165,420.42	(2,165,420.42)	
05/31/2023			2,089,950.00	2,089,950.00		2,089,950
05/31/2024			2,089,950.00	2,089,950.00		2,089,950
05/31/2025			2,089,950.00	2,089,950.00		2,089,950
05/31/2026			2,089,950.00	2,089,950.00		2,089,950
05/31/2027			2,089,950.00	2,089,950.00		2,089,950
05/31/2028			2,089,950.00	2,089,950.00		2,089,950
05/31/2029			2,089,950.00	2,089,950.00		2,089,950
05/31/2030			2,089,950.00	2,089,950.00		2,089,950
05/31/2031			2,089,950.00	2,089,950.00		2,089,950
05/31/2032			2,089,950.00	2,089,950.00		2,089,950
05/31/2033			2,089,950.00	2,089,950.00		2,089,950
05/31/2034			2,089,950.00	2,089,950.00		2,089,950
05/31/2035			2,089,950.00	2,089,950.00		2,089,950
05/31/2036			2,089,950.00	2,089,950.00		2,089,950
05/31/2037	2,965,000	3.000%	2,045,475.00	5,010,475.00		5,010,475
05/31/2038	3,055,000	3.000%	1,955,175.00	5,010,175.00		5,010,175
05/31/2039	3,145,000	3.000%	1,862,175.00	5,007,175.00		5,007,175
05/31/2040	3,240,000	3.000%	1,766,400.00	5,006,400.00		5,006,400
05/31/2041	3,340,000	3.000%	1,667,700.00	5,007,700.00		5,007,700
05/31/2042	3,440,000	3.000%	1,566,000.00	5,006,000.00		5,006,000
05/31/2043	3,565,000	4.000%	1,443,100.00	5,008,100.00		5,008,100
05/31/2044	3,710,000	4.000%	1,297,600.00	5,007,600.00		5,007,600
05/31/2045	3,860,000	4.000%	1,146,200.00	5,006,200.00		5,006,200
05/31/2046	4,020,000	4.000%	988,600.00	5,008,600.00		5,008,600
05/31/2047	4,185,000	4.000%	824,500.00	5,009,500.00		5,009,500
05/31/2048	4,355,000	4.000%	653,700.00	5,008,700.00		5,008,700
05/31/2049	4,535,000	4.000%	475,900.00	5,010,900.00		5,010,900
05/31/2050	4,720,000	4.000%	290,800.00	5,010,800.00		5,010,800
05/31/2051	4,910,000	4.000%	98,200.00	5,008,200.00		5,008,200
	57,045,000		49,506,245.42	106,551,245.42	(2,165,420.42)	104,385,825

Minnesota Higher Education Facilities Authority**Revenue Bonds, Series 2021, (St. Olaf College)**

Preliminary Financing Plan

Dated: January 20, 2021

Exhibit B

EXHIBIT B**TOTAL OUTSTANDING INDEBTEDNESS**

Minnesota Higher Education Facilities Authority

Revenue Bonds, Series 2021

(St. Olaf College)

Scenario: \$60mm + Wrapped Debt Service (30 Year Amortization)

Date	Series 2021	Series 8-G	Series 8-N	Total
05/31/2021		4,635,668.76	1,239,981.26	5,875,650.02
05/31/2022		4,630,793.76	1,243,656.26	5,874,450.02
05/31/2023	2,089,950.00	4,624,543.76	1,246,881.26	7,961,375.02
05/31/2024	2,089,950.00	4,621,543.76	1,252,481.26	7,963,975.02
05/31/2025	2,089,950.00	4,621,293.76	1,250,381.26	7,961,625.02
05/31/2026	2,089,950.00	4,613,543.76	1,257,481.26	7,960,975.02
05/31/2027	2,089,950.00	4,612,918.76	1,258,681.26	7,961,550.02
05/31/2028	2,089,950.00	4,608,918.76	1,263,981.26	7,962,850.02
05/31/2029	2,089,950.00	4,618,618.76	1,253,143.76	7,961,712.52
05/31/2030	2,089,950.00	4,600,068.76	1,270,993.76	7,961,012.52
05/31/2031	2,089,950.00	4,602,943.76	1,272,990.63	7,965,884.39
05/31/2032	2,089,950.00	4,591,193.76	1,279,800.00	7,960,943.76
05/31/2033	2,089,950.00	4,597,096.88	1,276,200.00	7,963,246.88
05/31/2034	2,089,950.00		5,872,900.00	7,962,850.00
05/31/2035	2,089,950.00		5,871,000.00	7,960,950.00
05/31/2036	2,089,950.00		5,875,200.00	7,965,150.00
05/31/2037	5,010,475.00			5,010,475.00
05/31/2038	5,010,175.00			5,010,175.00
05/31/2039	5,007,175.00			5,007,175.00
05/31/2040	5,006,400.00			5,006,400.00
05/31/2041	5,007,700.00			5,007,700.00
05/31/2042	5,006,000.00			5,006,000.00
05/31/2043	5,008,100.00			5,008,100.00
05/31/2044	5,007,600.00			5,007,600.00
05/31/2045	5,006,200.00			5,006,200.00
05/31/2046	5,008,600.00			5,008,600.00
05/31/2047	5,009,500.00			5,009,500.00
05/31/2048	5,008,700.00			5,008,700.00
05/31/2049	5,010,900.00			5,010,900.00
05/31/2050	5,010,800.00			5,010,800.00
05/31/2051	5,008,200.00			5,008,200.00
	104,385,825.00	59,979,147.00	33,985,753.23	198,350,725.23

RESOLUTION RELATING TO FINANCING TERMS FOR
ST. OLAF COLLEGE

Be It Resolved by the Minnesota Higher Education Facilities Authority as follows:

1. This Authority has received and held public hearings with respect to, and adopted an Amended and Restated Resolution Relating to Application for St. Olaf College, a Minnesota nonprofit corporation (the “College”), as owner and operator of St. Olaf College (the “Institution”), financing the costs of (i) the acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds, and (ii) renovations, equipping and furnishing of an existing residence hall (the “Project”). (The project facilities described in the Project are referred to as the “Project Facilities”). All of the Project Facilities are or will be owned and operated by the College and located at its campus, the principal street address of which is 1520 St. Olaf Avenue, Northfield, Minnesota.

2. The Authority has received assurances that all other conditions to be met by the College as provided in the Resolution referenced above (the “Resolution”) have been, or will be timely, met and complied with.

3. There has not been disclosed to this Authority any material adverse change in the financial condition, operations or status of the College or in the Project, or otherwise relating to the said Application that would affect the Resolution or the financing of the Project as proposed.

4. The Authority hereby ratifies and confirms all action heretofore taken with respect to the Application of the College.

5. As provided by the Resolution, North Slope Capital Advisors, Inc., as municipal advisor to the Authority, has reviewed the terms set forth in the Plan of Finance, dated January 13, 2021, recommending the issuance and sale of Revenue Bonds, Series 2021 (St. Olaf College), in the maximum amount of \$71,000,000 (the “Bonds”) to provide financing for the Project, which terms are hereby approved.

6. The Executive Director of the Authority, with the advice and consent of the College and the Authority’s municipal advisor, has recommended the selection of Piper Sandler & Co., as underwriter (the “Underwriter”) for the Bonds.

7. Upon the recommendation of the Authority’s municipal advisor and bond counsel and the approval of the College, the Executive Director may execute and deliver on behalf of the Authority a Bond Purchase Agreement whereby the Authority agrees to sell and the Underwriter agrees to purchase the Bonds in a principal amount not to exceed \$71,000,000, with a maximum true interest cost not to exceed 5.0% per annum and with a purchase price of not less than 98% of the principal amount of the Bonds plus accrued interest, all subject to the terms and conditions set forth herein and in the Bond Purchase Agreement.

8. The Executive Director shall direct bond counsel to the Authority or other legal counsel to prepare for review by the Executive Director, the College and the Underwriter all

necessary bond documents, including a Loan Agreement, a Trust Indenture, a Bond Purchase Agreement, a Continuing Disclosure Certificate and all other documents deemed necessary or desirable consistent with the provisions of the Plan of Finance and substantially similar to the bond documents for revenue bonds most recently issued and sold by the Authority, but with appropriate changes.

9. The Authority's disclosure consultant shall prepare an Official Statement and any Preliminary Official Statement in consultation with the Underwriter, the College, the Executive Director, the municipal advisor and bond counsel setting forth all material facts with respect to the Bonds, the Project, the Authority, the College and the Institution. Upon recommendation of the disclosure consultant, municipal advisor and bond counsel, such Official Statement or any Preliminary Official shall be deemed by the Executive Director (or with his approval) the College to be the final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Authority hereby consents to the preparation of the Official Statement in such deemed final form and the distribution by the Underwriter in offering the Bonds for sale to the public and to any changes to the Official Statement to reflect the final terms of the Bonds and the related bond documents. Notwithstanding such consent, the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, sufficiency or completeness of the Official Statement (other than information relating to the Authority).

10. The Underwriter is authorized to distribute the Official Statement and any Preliminary Official Statement for pricing purposes, provided that prior to the distribution, if recommended by bond counsel, an application for registration of the Bonds shall be filed under the Minnesota Securities Act, Chapter 80A, Minnesota Statutes. Prior to the execution of the Bond Purchase Agreement, bond counsel shall advise the Executive Director that such registration shall have been made effective by the Minnesota Department of Commerce or that registration is not required for offer and sale of the Bonds in Minnesota.

11. Notwithstanding the foregoing provisions, the Bonds shall not be issued and delivered and the bond documents (other than the Bond Purchase Agreement) shall not be executed and delivered without the further action and approval and adoption of a Series Resolution with respect to the Bonds by the Authority.

12. Upon the recommendation of the College and the Authority's municipal advisor, the Executive Director is authorized to select a Trustee for the Bonds, which shall also act as paying agent and registrar for the Bonds.

Adopted: January 20, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

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SERIES RESOLUTION

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY REVENUE BONDS, SERIES 2021 (ST. OLAF COLLEGE)

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority as follows:

1. Pursuant to resolutions adopted on November 18, 2020, January 6, 2021, and January 20, 2021 (the “Prior Resolutions”), the Authority has:

(i) received and held public hearings with respect to, and adopted an Amended and Restated Resolution Relating to Application of St. Olaf College, a Minnesota nonprofit corporation (the “College”), as owner and operator of St. Olaf College (the “Institution”), financing the costs of (i) the acquisition, construction, equipping and furnishing of a new student housing project consisting of a 300-bed residence hall and 14 new townhouses, each townhouse containing 10 beds; and (ii) renovations, equipping and furnishing of an existing residence hall; and

(ii) authorized the negotiation of the issuance and sale of up to \$71,000,000 of the Authority’s Revenue Bonds, Series 2021 (St. Olaf College) (the “Bonds”), to Piper Sandler & Co. (the “Underwriter”); and

(iii) directed the preparation of documents, including a Loan Agreement, Trust Indenture, Bond Purchase Agreement, Continuing Disclosure Certificate and an Official Statement.

All provisions and findings of the Prior Resolutions are hereby ratified and confirmed except to the extent amended and incorporated herein.

2. The College has requested that the Bonds be issued as a single series of bonds in the maximum aggregate principal amount of \$71,000,000, the interest on which will be excluded from gross income of the bondholders pursuant to the Internal Revenue Code of 1986, as amended (the “Code”).

3. As provided in the Prior Resolutions, a Preliminary Official Statement is being prepared and will be designated as a near-final official statement, and the Underwriter will distribute copies thereof for the purpose of obtaining indications of interest from customers and establishing rates of interest for the Bonds.

4. As provided in the Prior Resolutions, a Bond Purchase Agreement shall be reviewed by Fryberger, Buchanan, Smith & Frederick, P.A., as bond counsel, which Bond Purchase Agreement is to be executed by the Underwriter and the College and approved by the Executive Director of the Authority providing for the sale of the Bonds by the Authority to the Underwriter, subject to the conditions therein set forth.

5. The Executive Director, on behalf of the Authority, is authorized and directed to take all actions necessary or desirable to receive a proposal from the Underwriter, provided that

the Bonds shall not mature later than October 1, 2050, the principal amount of the Bonds shall not exceed \$71,000,000, the maximum true interest cost shall not exceed 5.0% and the purchase price shall be not less than 98% of the principal amount of the Bonds plus accrued interest. Upon the recommendation of the Authority's municipal advisor and bond counsel and with the approval of the College, the Executive Director may execute and deliver, on behalf of the Authority, the Bond Purchase Agreement. This Authority hereby authorizes the issuance and sale of the Bonds and no further approval by this Authority is required.

6. The forms of the following documents relating to the Bonds have been made available to the Authority:

(i) Loan Agreement between the Authority and the College, expected to be dated as of March 1, 2021 (the "Loan Agreement").

(ii) Trust Indenture between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), expected to be dated as of March 1, 2021 (the "Indenture").

(iii) Continuing Disclosure Certificate by the College, expected to be dated as of March 1, 2021.

The Chair, the Secretary and any officer authorized to act on behalf of the Chair or the Secretary are each acting individually, authorized to execute, seal and deliver counterparts of the Loan Agreement and the Indenture, duly completed, for and in the name of the Authority, with all such changes and insertions therein as the officer executing the same shall approve. In addition, the Executive Director of the Authority is hereby authorized to prepare, with the assistance of the Authority's disclosure consultant, a final Official Statement in substantially the form of the Preliminary Official Statement with all such deletions, changes and insertions therein as the Executive Director shall approve, and to furnish to the Underwriter a reasonable number of copies of the final Official Statement for purposes of such purchaser's obligation to provide copies of the final Official Statement to customers and potential customers pursuant to MSRB Rule G-32 and Securities and Exchange Commission Rule 15c2-12, respectively.

7. The Bonds shall be in substantially the form set forth in the Indenture, and when printed in typeset or typewritten form shall be executed, sealed and delivered by the manual or facsimile signatures of the Chair or the Vice Chair and the Secretary or the Assistant Secretary of the Authority and submitted to the Trustee for authentication, all as more fully provided in the Indenture.

8. The appointment of Wells Fargo Bank, National Association, as Trustee under the Indenture is hereby approved, ratified and confirmed.

9. The proceeds of the Bonds shall be deposited as follows:

(i) The accrued interest, if any, and rounding amount on the Bonds shall be deposited to the Bond and Interest Sinking Fund Account to be kept and maintained by the Trustee under the Indenture.

(ii) All other proceeds of the Bonds shall be deposited to the Construction Account with the Trustee under the Indenture to be used and paid out by the Trustee for payment of the Project Costs in accordance with the Indenture and the Loan Agreement.

10. As required by Sections 136A.25 to 136A.42, Minnesota Statutes, as amended (the “Act”), the officers of the Authority authorized to sign checks or otherwise handle funds of the Authority shall furnish a surety bond, executed by a surety company authorized to transact business in the State of Minnesota as surety and file the same in the office of the Secretary of State of Minnesota, subject to approval of the Attorney General, prior to delivery of the Bonds, which officers and the amount of the surety bond shall be as set forth in the separate resolution adopted by the Authority on November 28, 1972.

11. Pursuant to the recommendation of bond counsel, the Authority hereby finds and determines that a copy of an opinion of counsel or the title insurance commitment may be furnished as evidence of title to the Project Site (as defined in the Loan Agreement).

12. The terms and provisions of the Bond Purchase Agreement and the documents listed in paragraph 6 of this Resolution are all hereby incorporated by reference and approved, ratified and confirmed, except to the extent amended hereby. The officers of the Authority, the municipal advisor and bond counsel are hereby authorized and directed to execute and deliver all closing documents and do every other thing necessary or convenient to carry out the terms and provisions of each such bond document to the end that the Bonds shall be delivered, secured and serviced and to carry out the purposes and provisions of the Act with respect thereto without further resolution or other action by this Authority.

Adopted: January 20, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By _____
Michael D. Ranum, Chair

By _____
Gary D. Benson, Secretary

NAME/HOME ADDRESS	APPOINTMENT INFORMATION		CURRENT TERM ENDS	NUMBER OF TERMS Including current
	EXPERTISE	INITIAL APPOINTMENT		
Gary D. Benson 2064 Pleasant View Drive New Brighton, MN 55112	Member with Building Construction Field Expertise	July 5, 1999	1/2/2023	6
Bonnie Anderson Rons, Couchtown Ct, Rosemount, MN 55068	General Member	June 28, 2019	1/2/2023	1
Mary F. Ives 31055 Sunny Beach Road Grand Rapids, MN 55744	Member residing outside metro area (also with affiliations to Higher Education Institution)	July 2, 2004	1/1/2024	5
Mark Misukanis 965 Stratford Road Mendota Heights, MN 55118	Member with Affiliation to Higher Education Institution	May 7, 2013	1/4/2021* <i>*Will not be renewing for another term. May serve until 6/30/2021 or until replacement is appointed</i>	2
Michael D. Ranum 203 East Golden Lake Cir Circle Pines, MN 55014	General Member	Aug. 26, 2002	1/3/2022* <i>*Will not be renewing for another term. May serve until 6/30/2022 or until replacement is appointed.</i>	5
David D. Rowland 6605 Dakota Trail Edina, MN 55439	Member with Municipal Finance Expertise	Feb. 10, 2001	1/4/2021* <i>*Applying to renew for another term</i>	5
Raymond VinZant 6842 270th Street Wyoming, MN 55092	Member residing outside Metro area	July 2, 2004	1/1/2024	5

Nancy Sampair 1660 Pinehurst Avenue St. Paul, MN 55116	General Member	April 25, 2014	1/3/2022	2
Paul Cerkenik MN Private College Council	Ex-officio/Non-voting			
Poawit Yang MN Office of Higher Education	Ex-officio	May 16, 2017		

380 Jackson Street, Saint Paul, Minnesota 55101 Phone (651) 296-4690 Fax (651) 297-5751

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, *Executive Director*

Date: January 13, 2021

Re: Fund Balance Contingency, Commitment and Allocation

MHEFA Fund Balance Allocation

The Authority maintains a fund balance of approximately \$1.8 million. The Authority has designated a number of purposes for which the available funds might be used in the event the Authority needed to draw on the fund balance. This report is an update for the Authority Board to provide the Board with information about the purposes and amounts that the fund balance is allocated to fund if necessary.

The projected contingencies for which the Fund Balance is allocated are currently as follows:

\$200,000 - Market valuation fluctuation

As interest rates increase, the fair market value of the invested funds will decline. While the general rule of the Authority has been to hold investment to maturity, thereby realizing no gain or loss on market value change, if an investment was required to be liquidated prior to maturity, the Authority could realize a loss. This reservation is to cover such a loss.

Reinvestment rates on maturing Certificates of Deposit are lower than the current rates by a factor of 10. With market rates at a near historic low, the risk of interest rates rising in the future is higher than it has been for some time. This increases the risk of a decline in the fair market value of Certificates if they need to be withdrawn prior to their full maturity date.

The decline in market rates increases the risk of valuation loss to the Authority portfolio as reported on the Authority's financial statements if rates rise in the future regardless of whether the Authority withdraws funds prior to maturity or holds the funds to maturity.

\$600,000 – Long-Term Operation Funding

This reservation is to cover approximately 1 year of operations in the event that the Authority did not receive funds from borrowers. While very unlikely, it is possible that a significant external event could result in one or more, possibly all authority borrower schools unable to pay some or all of their annual Authority fee without imposing a hardship on the institution.

The COVID-19 Pandemic and the adverse effect it has had on Authority Borrowers is an example of a significant external event that illustrates the uncertainty of bond repayment. The reserve of a year of operating expenses allows the Authority to provide budget relief to borrower schools for an extended period and thereby fulfill the Authority mandate of providing low-cost funding to borrower schools to keep tuition lower than would be the case without Authority assistance.

\$800,000 – Litigation Reserve

This reservation covers potential litigation cost of defending against litigation that could be brought against an authority borrower. The litigation could be brought for a variety of reasons and could be brought by various parties, for amounts that are unknown. It is not inconceivable that a lawsuit could be brought against an Authority borrower on sexual misconduct grounds alleging that the violations occurred in debt financed facilities.

It is very unlikely that any such lawsuit would be successful in compelling the Authority to pay any portion of any settlement, but the cost of defending against even a lawsuit that may ultimately be deemed frivolous could easily reach or exceed the Litigation Reserve.

While the Authority is indemnified by the borrower school from any litigation caused by borrower action or inaction, the timing of indemnification is not known, and the Authority could

be required to expend substantial funds initially with reimbursement at a future date, with the amount of reimbursement subject to the financial condition of the borrower.

Recent settlements of litigation involving sexual misconduct have shown that the settlement can be substantial and the cost of defending against a third-party claim, even if such claim is ultimately proved to be without merit, can be substantial.

\$200,000 +/- - Emergency Capital Equipment Replacement/Operations Funding

This reservation covers the potential cost of having to relocate Authority operations for an extended period if the Authority offices are not available due to fire or some other Act of God. The COVID-19 pandemic and the extended Work From Home order by the Minnesota Governor has already resulted in additional capital costs for the Authority.

It includes replacement of current capital assets (computers, office furnishings, servers, copiers, etc.), data recovery, utilities, and related business expenses. Much of these costs may ultimately be reimbursed from insurance proceeds, but the timing of such reimbursement and the amount to be reimbursed (depreciated value vs. replacement value, etc.) is uncertain and may be well after the incurrence of the disaster event. The reservation of this amount allows the Authority the ability to immediately re-establish its office and begin operations quickly.

Summary of Net Position Reservations:

Market Value fluctuation	\$ 200,000
Long-term Operation funding	600,000
Litigation Reserve	800,000
Emergency Cap. Equip./Op.	<u>200,000</u>
Total:	<u><u>\$1,800,000</u></u>

Office Memorandum

Date: December 30, 2020
To: Agency Payroll, HR, and Accounting Staff
From: Mary Muellner, Director, Statewide Payroll Services
Subject: **IRS Mileage Rate Effective January 1, 2021**

The standard IRS mileage rate for the business use of an employee's personal automobile has **decreased** on January 1, 2021, from **57.5** to **56 cents per mile**.

The state bargaining agreements and compensation plans base mileage reimbursement rates on the standard IRS mileage rate that's in place at the time of travel. As a reminder, two options are provided for determining the mileage reimbursement rate for any given trip:

- If the employee travels in his or her own vehicle because no state vehicle is available, the reimbursement rate is the current IRS rate (56 cents per mile for miles driven in 2021).
- If a state vehicle is offered but the employee declines and travels in his or her own vehicle, the reimbursement rate is 7 cents less than the current IRS rate (49 cents per mile for miles driven in 2021).

NOTE: "State vehicle" is defined as any vehicle owned or leased by the state or loaned to the state.

Please refer to the bargaining agreements and compensation plans regarding mileage reimbursement rates for the business use of an employee's specially equipped vehicle, motorcycle or personal aircraft.

SEMA4 users can use the Business Expense Mileage Rates page to view previous and current IRS mileage rates. Select Payroll > Business Expense > Business Expense Mileage Rates.

Questions?

Agency Payroll, HR, and Accounting staff should contact Yer Lee in Statewide Payroll Services at 651-201-8074 or yer.lee@state.mn.us if there are questions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF

Minnesota Higher Education Facilities Authority

BUDGET VS. ACTUALS: FY2021 BUDGET (ORIGINAL) - FY21 P&L

July 2020 - June 2021

	TOTAL				
	ACTUAL	BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income					
4010 Annual Fee Income	545,069.69	403,745.38	-141,324.31	135.00 %	-35.00 %
Discounts given	-349,614.69		349,614.69		
Total Income	\$195,455.00	\$403,745.38	\$208,290.38	48.41 %	51.59 %
GROSS PROFIT	\$195,455.00	\$403,745.38	\$208,290.38	48.41 %	51.59 %
Expenses					
6000 Stipends	1,265.00	3,520.00	2,255.00	35.94 %	64.06 %
6001 Board Travel		2,500.00	2,500.00		100.00 %
6002 Communications	5,733.37	24,064.00	18,330.63	23.83 %	76.17 %
6003 Staff Travel	42.44	6,250.00	6,207.56	0.68 %	99.32 %
6004 Office Rent	24,240.36	48,480.72	24,240.36	50.00 %	50.00 %
6005 Office Supplies	174.74	1,750.00	1,575.26	9.99 %	90.01 %
6006 Repairs		500.00	500.00		100.00 %
6007 Printing Expense	511.81	2,500.00	1,988.19	20.47 %	79.53 %
6008 Periodicals/Memberships	3,000.00	8,000.00	5,000.00	37.50 %	62.50 %
6009 Fiscal Consultant Fees	1,500.00	1,000.00	-500.00	150.00 %	-50.00 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	25,093.10	52,000.00	26,906.90	48.26 %	51.74 %
6013 Insurance Expense		2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	131.00	1,000.00	869.00	13.10 %	86.90 %
6016 Bank Service Charges	1,276.36	3,000.00	1,723.64	42.55 %	57.45 %
6017 Conference Expenses		5,000.00	5,000.00		100.00 %
6020 Professional Development-STAFF	1,007.00	5,000.00	3,993.00	20.14 %	79.86 %
6021 IT	3,490.52	9,800.00	6,309.48	35.62 %	64.38 %
6023 Postage/Delivery Expense	5.25	275.00	269.75	1.91 %	98.09 %
6100 Salaries	97,310.00	210,000.00	112,690.00	46.34 %	53.66 %
6101 Fringe Benefits	27,400.48	64,000.00	36,599.52	42.81 %	57.19 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6200 Equipment Leases	3,658.71	6,980.00	3,321.29	52.42 %	47.58 %
Total Expenses	\$215,135.14	\$476,914.72	\$261,779.58	45.11 %	54.89 %
NET OPERATING INCOME	\$ -19,680.14	\$ -73,169.34	\$ -53,489.20	26.90 %	73.10 %
Other Income					
4000 Interest Income	17,826.50	36,000.00	18,173.50	49.52 %	50.48 %
4050 Unrealized Gain/Loss Adjustment on Sale	-2,629.64		2,629.64		
Total Other Income	\$15,196.86	\$36,000.00	\$20,803.14	42.21 %	57.79 %
Other Expenses					
Other Miscellaneous Expense	3,346.71	7,500.00	4,153.29	44.62 %	55.38 %
Total Other Expenses	\$3,346.71	\$7,500.00	\$4,153.29	44.62 %	55.38 %
NET OTHER INCOME	\$11,850.15	\$28,500.00	\$16,649.85	41.58 %	58.42 %
NET INCOME	\$ -7,829.99	\$ -44,669.34	\$ -36,839.35	17.53 %	82.47 %

Minnesota Higher Education Facilities Authority

BUDGET VS. ACTUALS: FY2021 BUDGET (ORIGINAL) - FY21 P&L

July 2020 - June 2021

Note

6/12, 50% of year elapsed